East Asian countries in general and Japan in particular. They include inviting delegations from Japan under Asian Co-operation programme through JETRO, Participating in Data Shows/COMJAPAN being held in Tokyo since 1994-95, sending delegations from India to Japan arranging contacts with Indian software companies for representatives of Japanese companies visiting India, exploring the possibility of export to Japan through Contract Manufacturing, carring on market surveys for the South East Asian countries.

Tax on DEPB Credits

470. SHRI DEBABRATA BISWAS: Will the Minister of COMMERCE be pleased to state:

(a) whether it is fact that several State Governments are imposing tax on the import entitlements earned by the Indian Exporters under the DEPB (Duty Entitlement Pass Book) Scheme with the reult that the very objective of the DEPB Scheme are being defeated;

(b) if so, the basis on which the State Governments are imposting tax on DEPB credit which are only reimbursements of the customs duty on inputs; and

(c) the steps which Government propose to take to correct the situtation so that volume of export trade is not adversely affected?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Duty Entitlement Pass book entitles an exporter to claim duty free credit as a percentage of the FOB value of exports. The exporter can import the goods duty free upto the DEPB credit entitlement. The DEPB credit entitlement is freely transferable which can also be sold/ transferred. Some of the State Governments have levied sales tax when the DEPB is sold/ transferred by holding transfer of DEPB as the sale of 'goods'.

(c) The Central Government has requested the State Governments to consider the exemption of Sales tax on the sale/transfer of the DEPB credit entitlement.

Corruption Charges in Soyabean Meal Deal in STC

471. SHRI GOPALSINH G. SOLANKI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Board Level Officers are facing corruption chages regarding export of Soyabean meal recelty;

(b) whether it is a fact that finance and audit division of STC have revealed that there has been losses of Rs. 15 crores in these trading operations;

(c) what action has Government taken against STC officials responsible for these fraudulent losses to the company;

(d) whether Government have referred to CBI the whole issue; and

(e) if not, the reasons therefor?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) No, Sr.

(b) The trading loss on export of extractions which include repeseed, soyabean meal, groundnut meal etc. on an export of 1.93 lakh MTs and domestic trade of 0.61 lakh MTs during the financial year 1997-98 is provisionally estimated to be Rs. 9.83 cores.

(c) No loss on account of fraudulent deed has been reported by STC.

(d) No. Sir.

(e) Does not arise in view of (c) above.

Impact of Pressure from W.T.O. and I.M.F.

472. DR. MOHAN BABU: Will the Minister of COMMERCE be pleased to state:

(a) the impact of pressure from W.T.O. and I.M.F. on Agriculture and Textiles sector;

(b) whether India propose to remove all its import restraints on textile products in phased manner;

(c) if so, the details thereof; and

(d) the steps proposed in selection to W.T.O. obligations?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) There is no pressure from either the World Trade

Organization (WTO) or the International Monetary Fund (IMF) on agriculture and textile sector.

(b) to (d) Under the exceptional provisions of Article XVIII of the General Agreement on Tariffs and Trade (GATT) 1994 India has some residual quantitative restrictions on imports maintained for balance of payment purposes. Article XVIII:B provides for the progressive elinination for these restrictions as the balance of payments conditions improve. Accordingly India has agreed to a 6-Year time schedule starting 1 April, 1997 for the removal of all the residual imports restrictions maintained on agricultural, textile and industrial products for balance of payment purposes. The removal of restrictions will be effected in three consecutive phases of three years, two years and one year and a balanced manner within each phase. The time schedules in respect of individual products have been determined in consultation with administrative Ministers.

Irregularities in import of Wheat from Australia

473. SHRI S.M. KRISHNA: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have unilaterally decided to import wheat from Australia in January, February this year;

(b) if so, the details of the import and the compulsion behind importing wheat;

(c) whether irregularities have been noticed in the import of wheat much to the vested interest of selected people in the Ministry;

(d) if so, whether any investigations have been carried out; and

(e) what is the outcome of the investigations?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) Government constantly review the stock position of foodgrains in the Central Pool *vis-a-vis* the prescribed minimum buffer norms, the production of foodgrains in the country, trend of procurement, requirement for the Public Distribution System/other Welfare schemes, open market prices etc. and decision to import foodgrains is taken depending on the overall situation. Due to untimely rains during the sowing season, the Ministry of Agriculture had initially estimated that the production of wheat during the current Rabi season was likely to be 64.5 million tonnes as against the production of 69.27 million tonnes last year. Government therefore, decided to import upto 2.00 million tonnes of wheat during 1998-99 to build up adequate reserves for keeping prices under control. Against this STC has finalised contract for import of 1.5 million tonnes of wheat from Australia @US $ 142.50 PMT POB.

(c) No, Sir.

(d) and (e) Does not arise.

Export of Silk, Jewellery and Automobiles

474. SHRI GOVINDRAM MIRI: Will the Minister of COMMERCE be pleased to state:

(a) the details of steps taken by Government during the preceding three years to boost India's export of silk, Jewellery and automobiles; and

(b) the details of steps Government propose to take in thiss regard?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) A number of steps have been taken by the Government to boost export of silk, Jewellery and automobiles. Specific measures for the jewellery sector include liberalisation of gold import policy, increasing the number of nominated agencies permitted to stock and sell gold, setting up of private/public bonded warehouses in EPZ/DTA, permitting EOC/EPZ units to sell 10% of their output in DTA on payment of duty etc, For the silk sector Zero duty EPCG Scheme has been extended to include Sericulture sector, and under DEPB Schemes a rate of 12% has been notified for Silk sector. The thrust is on direct promotional activities, such as participation in international fairs. For the automobiles sector guidelines have been laid down for signing of MOU for imports of CKD/SKD kits/components.

(b) Export promotion is a continuous process and all necessary steps will be taken to ensure a highgrowth of exports in all sectors.